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SENATE

REPORT
100-344

AMENDING THE UNITED STATES HOUSING ACT OF 1937 TO ESTABLISH A SEPARATE PROGRAM TO PROVIDE HOUSING ASSISTANCE FOR INDIANS AND ALASKA NATIVES

MAY 13 (legislative day, MAY 9), 1988.—Ordered to be printed

Mr. INOUYE, from the Select Committee on Indian Affairs, submitted the following

REPORT

[To accompany S. 1987]

The Select Committee on Indian Affairs, to which was referred the bill (S. 1987) to amend the United States Housing Act of 1937 to establish a separate program to provide housing assistance for Indians and Alaska Natives, having considered the same, reports favorably thereon with an amendment in the nature of a substitute and recommends that the bill as amended do pass.

PURPOSE

S. 1987 was introduced on December 21, 1987 by Senator Inouye for himself and Senators Evans, McCain, Burdick, Daschle and DeConcini. S. 1987 amends the United States Housing Act of 1937 to establish a separate program to provide housing assistance for Indians and Alaska Natives.

BACKGROUND

In the past three years there has been a movement developing among tribes and Indian Housing Authorities (IHA'S) urging Congress and the Administration to take necessary steps to separate the Indian housing program from the public housing program within the Department of Housing and Urban Development (HUD). At one point HUD thought that such separation could be effectuated administratively, rather than through legislation. However, at

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this time it appears that legislation is the most effective method of bringing about this change.

The statutory basis for the current HUD Indian housing program is the United States Housing Act of 1937. However, it was not until the early 1960's that Indian tribes were deemed eligible to participate in HUD's public housing programs. Since that time, HUD has been the primary source of housing assistance to Indian families. Whenever amendments were made to the 1937 Act those amendments were made applicable to the entire public housing program, including the Indian housing program, regardless of the appropriateness or relevancy to the Indian housing programs. This has resulted in difficulties in the management and development of the Indian housing program.

In recent years, there have been attempts to seek alternatives to the existing Indian housing program at HUD. Primarily these efforts were based on the difficulties experienced in trying to integrate an administrative structure designed for working with Indian reservations within an agency primarily designed to serve an urban poor constitutency. In the 97th and 98th Congresses, legislation was introduced to create a new Indian housing program within the Bureau of Indian Affairs. In 1981, the Administration proposed to simply eliminate the HUD Indian housing program because of alleged high costs, administrative complexities and poor management. The Administration opposed legislation that would create a new Indian housing program within the Bureau of Indian Affairs, but promised that an alternative program proposal would be presented to Congress for its consideration. Nearly six years later, the Administration has still not come forward with an alternative to the HUD Indian housing program.

NEED

The history of the Indian housing program points to the vast differences in the two programs and the continuous problems encountered because of the attempt to force the Indian housing program to comply with statutory provisions that were never appropriate for Indian programs and, in fact, were never intended to apply to Indian reservations.

In 1983, the Secretary of HUD appointed the Advisory Committee on Indian and Alaska Native Programs, comprised of Indian housing authority administrators, board members, and tribal leaders, to examine alternatives to the existing program. The group considered block grants, as well as the creation of a totally new program. However, they concluded that the existing program, with some minimal changes, was by far the best alternative. Consequently, due to inherent incompatability of developing and managing and Indian housing program as compared to developing and managing complex and urban-oriented public housing programs, the Secretary's Committee developed a proposal to codify the Indian housing program as a separate program, while retaining it within the Housing Act of 1937.

S. 1987, as offered is an amendment in the nature of a substitute which codifies by reference into a newly created title II of the 1937 Act, the provisions in the existing law. Thus, the Indian housing

program remains within the 1937 act and under the jurisdiction of HUD. In addition, statutory authority is provided for the Mutual Help Homeownership Opportunity Program. The program currently exists without statutory authority. This legislation is an important concept for Indian housing and has the support of Indian tribes, the National Congress of American Indians, and the National American Indian Housing Council.

Legislative History

S. 1987 was introduced on December 21, 1987 by Senator Inouye for himself and Senators Evans, McCain, Burdick, Daschle and DeConcini and referred to the Select Committee on Indian Affairs for consideration. The Select Committee on Indian Affairs conducted a hearing on S. 1987 on April 20, 1988. At a business meeting on April 28, 1988, the Select Committee on Indian Affairs ordered S. 1987 reported out of Committee with an amendment in the nature of a substitute.

Its companion bill, H.R. 3927 was introduced on February 9, 1988 by Representative Henry Gonzalez. A hearing on H.R. 3927 was held on February 24, 1988 by the Subcommittee on Housing and Community Development of the Committee on Banking, Finance and Urban Affairs. The Subcommittee held a mark-up on H.R. 3927 on March 10, 1988. On April 27, 1988, the Committee on Banking, Finance and Urban Affairs, in an open business meeting, ordered H.R. 3927 reported out of Committee.

Committee Recommendation and Tabulation of Vote

The Select Committee on Indian Affairs, in open business session on April 28, 1988, with a quorum present, by unanimous vote recommends the Senate pass S. 1987, as amended in the nature of a substitute.

Committee Amendments

The Committee recommends an amendment in the nature of a substitute.

Section-by-Section Analysis

Section 1 contains the short title, the Indian Housing Act of 1988."

Section 2 establishes a separate title under the United States Housing Act of 1937 for assisted housing for Indians and Alaska natives.

Section 201 provides that all current provisions of law relating to public housing shall continue to apply to federally-assisted Indian housing. However, any future amendments to public housing law shall not aply to Indian housing unless the provision explicitly stipulates such applicability.

Section 227 of the Housing and Urban-Rual Recovery Act of 1983 which relates to pet ownership in assisted housing for the elderly or handicapped shall not be applicable to Indian housing authorities. Policies in the area of pet ownership will be determined by local Indian housing authorities.

Section 202 establishes a homeownership opportunity program for families on reservations and other Indian areas, including assistance to Indian Housing Authorities (IHAs) to allow them to develop, acquire, operate and improve housing projects for this program.

Projects assisted may include attached and detached single-family dwellings (including row houses). In addition to fee-simple and other forms of ownership, the project may involve cooperative ownership if the IHA requests it and the Secretary determines it is appropriate.

Provides for the sue of a variety of designs and materials, and cost-effective energy conservation and performance standards.

An Indian housing authority may provide assistance under the Mutual Help Homeownership Opportunity program to any non-Indian family on an Indian reservation or other Indian area if the Indian housing authority determines that the presence of the family on the Indian reservation or other Indian area is essential to the well-being of Indian families and the need for housing by such non-Indian family cannot reasonably be met without such assistance. Examples of such situations might be tribal employees who are not Indian, but work and provide an esential service to the tribe, and are not reasonably able to obtain private housing on the reservation. This provision is intended to apply only to the Mutual Help Homeownership program and not the HUD assisted rental program on the Indian reservation or other Indian areas. Further, such assistance for a non-Indian family will be subjected to the provisions of this section.

Up to 10 percent of the project dwellings (or 5 units, which ever is higher) may be occupied by non-lower income families if the IHA demonstrates to the Secretary that there is a need for such housing that cannot otherwise be met.

Families selected to participate in the program must agree to contribute at least $1500 in the form of land, labor, cash, materials or equipment. Indian tribes will be permitted to make contributions, other than labor, on behalf of participating families. Families must also agree to pay monthly to the IHA the higher of the following amounts: 1) a percentage of their monthly adjusted income (between 15% and 30%) determined appropriate by the IHA, minus the estimated monthly utilities (excluding telephone service); of 2) the monthly operating expenses of the dwelling which are not covered by federal operating subsidies.

Families shall be responsible for maintenance and monthly utility costs in accordance with HUD-approved procedures developed by the IHA. Families shall have the opportunity to purchase the dwelling under a lease-purchase, mortgage, or loan agreement with the IHA, or qualified lender, provided that they meet certain eligibility standards established by HUD in consultation with IHAs.

The Secretary shall also establish an optional self-help program for mutual-help projects, with labor contribution requirements similar to the self-help housing program operated by the Farmers Home Administration under section 523 of the Housing Act of 1949. Any IHA may apply for inclusion in the program, and, after approving an application, HUD must provide technical and supervisory assistance to families who participate.

Section 203 authorizes the Secretary to consider logistical problems and the availability of skilled labor and acceptable materials in determining the maximum contributions that may be made to the IHA, and to take such actions as may be necessary, utilizing the Interdepartmental Agreement on Indian Housing, to ensure the timely provision of roads, plumbing, electricity and related facilities which are necessary to the completion and occupancy of Indian housing projects. Public Law 90–480 (42 U.S.C. 4151 et seq.; commonly known as the Architectural Barriers Act of 1968, and other applicable law, will be applicable to the Indian housing authorities and thus, will require them to give proper consideration to the needs of physically handicapped persons for ready access to, and use of, lower income housing assisted under this title.

Section 204 requires that the HUD annual report include a general description of the administration of the Indian housing program, a more detailed description of certain activities conducted under the program, and recommendations for addressing some existing concerns relating to HUD-assisted Indian housing.

Section 205 requires the Secretary to consult with IHAs in developing regulations to implement the Act and to issue regulations to take effect within 90 days of enactment.

Section 3 requires that funds available for Indian housing, which are subsequently recaptured, be spent only for such housing.

Section 4 permits Indian families to deduct up to $25 weekly for travel expenses related to education and employment in computing their adjusted income, stipulates that IHAs are public housing agencies, and codifies the terms Indian, Indian area, Indian Housing Authority, and Indian tribe.

Section 5 contains a conforming amendment.

Section 6 requires that following 90 days after enactment, or the issuance of effective regulations, whichever occurs first, HUD shall only operate Indian housing programs in accordance with this Act.

Section 7 provides that where references are made to Alaska Indians, Aleuts, and Eskimos in this Act or any amendments made by this Act shall not grant or defer any status or powers other than those enumerated in this Act or any amendment made by this Act. Also nothing in this Act or any amendments made by this Act shall validate or invalidate any claim by Alaska Natives of sovereign authority over lands or people.

Cost and Budgetary Consideration

The cost estimate of S. 1987, as amended in the nature of a substitute, as provided by the Congressional Budget Office, is set forth below:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 13, 1988.

Hon. DANIEL K. INOUYE,
Chairman, Select Committee on Indian Affairs,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed S. 1987, the Indian Housing Act of 1988, as ordered reported by the Senate Select Committee on Indian Affairs, April 28, 1988.

Currently, federal low-income housing assistance is provided to Indians and Alaskan natives through the Department of Housing and Urban Development's (HUD) public housing program. This assistance is authorized in Title I of the United States Housing Act of 1937. S. 1987 would amend the 1937 Act to provide separate program authority for native American housing programs. For the most part, the bill would simply codify current procedures. Section 202(f) of the bill would, however, establish a self-help program for Indian housing projects. No separate appropriations would be authorized. Any funding would come from existing sources.

The rent paid by a federally subsidized household is limited to 30 percent of adjusted income. S. 1987 would allow income deductions of up to $25 per family per week to cover travel costs if travel is necessary to maintain employment or to further a household member's education. This possible reduction in the household contribution to housing costs would affect the federal budget only to the extent that operating subsidy payments to the Indian Housing Authorities are increased in the future to offset the anticipated losses. It is not possible to estimate with any accuracy the potential impacts of this provision of the bill. It is unlikely, however, that the costs would exceed $750,000 per year, assuming appropriation of the necessary amounts.

No costs would be incurred by state or local governments as a result of enactment of this bill.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

JAMES L. BLUM,
Acting Director.

REGULATORY IMPACT STATEMENT

Paragraph 11(b) of rule XXVI of the Standing Rules of the Senate requires each report accompanying a bill to evaluate the regulatory and paperwork impact that would be incurred in carrying out the bill. The Committee believes that S. 1987, as amended, will have a minimal impact on regulatory or paperwork requirements.

EXECUTIVE COMMUNICATIONS

The Committee has received the following Executive Communication regarding S. 1987.

STATEMENT BY KENNETH J. BEIRNE, ASSISTANT SECRETARY FOR POLICY DEVELOPMENT AND RESEARCH, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Mr. Chairman and members of the Subcommittee; I appreciate the opportunity and am honored to represent the Department of Housing and Urban Development before this Committee.

Since the early 1960's, HUD has provided assistance in both the development and management of housing for Indian and Alaska Natives pursuant to the U.S Housing Act of 1937, as amended. There are presently 173 Indian Housing Authorities (IHAs) managing over 61,000 units housing families in Indian and Alaska Native areas.

Each IHA administers its own housing program, which includes both homeownership and rental housing. The Mutual Help Homeownership Opportunities Program, which was codified in regulation in 1976, now constitutes about 65 percent of housing assistance in Indian areas. As authorized in the 1974 Housing and Community Development amendments, each family makes a contribution toward the cost of the dwelling in the form of land, work, cash, materials or equipment. After construction, the homebuyer occupies the house under a lease-purchase agreement and must maintain the house, pay utility and maintenance costs and make a monthly payment to the IHA consisting of an administration charge and, if the family's income permits, an equity payment. Normally, the participating family will acquire title at the end of 25 year contract term. The IHA receives limited operating subsidy from HUD to cover audits, counseling and training costs and limited modernization funds under the Comprehensive Improvement Assistance Program (CIAP).

Approximately 35 percent of the Indian housing units are rental units. As in public housing, HUD contracts with IHAs which own and manage the properties and make the units available to low-income families. Under the tenant rental program, the contract is for 30 years and rental payments are based on 30 percent of the adjusted income. HUD provides operating subsidies under the Performance Funding System (PFS) and modernization funds under CIAP.

Some IHAs also operate the Turnkey III Program which is similar to the Mutual Help program and a few IHAs operate other HUD housing programs, including the Voucher, Section 8 Existing, Section 8 New Construction and Section 8/202 Elderly programs.

In 1981 the statement was made by many Indian leaders, as well as Washington officials, that the Indian Housing Program is modeled too closely on the urban-oriented public housing concept. Since that time the Department has issued numerous policies to address the unique Indian housing situation. Let me mention just a few of these: 1. cost guidelines relying on single family standards; 2. ad-

justments of income limits to address the lack of alternate housing in Indian areas; 3. Indian preference in contracting, subcontracting, employment and training; 4. Conversions to the Mutual Help Program; 5. special procedures for pipeline movement and recapture/reuse; and 6. the soon-to-be published consolidated separate Indian housing regulations which will provide a complete separate regulatory framework for the Indian housing programs.

The Department has also vigorously implemented the Congressional mandate to establish separate Indian housing offices. There is a separate Office of Indian Housing in HUD Headquarters. There are currently 6 Indian field offices that are providing technical assistance as well as processing funds for housing and community development programs in Indian areas. We recently issued a comprehensive handbook for field office monitoring of IHA operations which directs our field staff to target its resources to help problem IHAs. We are currently in the final stages of implementing our new computerized Indian Housing Management Information and Retrieval System (MIRS), to provide a better capability to address IHA problems with hard data, as done in private sector management.

Let me turn to our comments on the Indian housing legislation, S. 1987, which is before the Committee. This legislation proposes to incorporate all current public and Indian housing provisions of the U.S. Housing Act into a separate section for Indian housing. As we understand it, the rationale for this legislation is to address the unique issues pertaining to housing in Indian areas. We agree that there are differences between the multifamily urban public housing program and the remote single family Indian housing program. However, we wish to emphasize that separate statutory language has not been necessary to implement HUD's Indian housing program over the last 25 years.

As I have already mentioned, the Department has been able to maintain the uniqueness of the Indian housing delivery system without statutory language. We believe that separate Indian housing legislation is unnecessary.

We have specific problems with some of the policies in the bill that deviate from the current statute.

First, the bill reduces the 30% rent requirement to 20% for the Indian housing rental program. We oppose the 20% rent requirement in this bill because there are other approaches for a more flexible rent in the Indian program. For families with homeownership potential, we encourage conversion to the mutual help program where the rent payment is generally between 15% to 30% of adjusted income. Also, the Department is considering a legislative proposal for the defederalization of rents. This proposal will permit PHAs and IHAs that elect to forego future operating subsidy to waive statutory rent rules. In addition, we do not believe that Indian families in rental units

should automatically have a lower rent burden than other assisted housing families.

Secondly, the bill also permits families in Indian areas to utilize a travel related deduction of $25 per family per week as an alternative to a child care deduction. For many households, this would only deepen Federal subsidy. For Mutual Help Homeownership households, this new deduction would provide an additional income deduction of up to $1,300 per year, even though many of them are already paying as little as 15% of adjusted income for homeownership payments. In addition, the recent housing bill maintains certain deductions across the board for all assisted housing programs. We oppose any further changes at this time.

Thirdly, the bill authorizes reuse of Indian housing development within the Indian housing program. As you may be aware, the majority of unworkable projects have already been removed from the pipeline. In FY 1988 we project only 100 units will be recaptured and in FY 1989 we estimate there will be no recaptured units. Therefore, a permanent reuse policy is not needed and my create difficulties in accounting for the expenditure of funds.

Finally, we object to Section 208 of the Bill, Labor Standards because it is not consitent with the Administration's proposed thresholds for application to Indian Housing projects.

This bill was introduced before the enactment of the 1987 Housing and Community Development Amendments. As you are aware, there are a considerable number of provisions in S 1987 that are inconsistent with the HCDA. These include ceiling rents, income limits changes, comprehensive modernization grants, and reauthorization of the Public Housing Loan Fund among others.

In closing, I appreciate the opportunity to testify before your committee regarding the Indian housing program. I believe this Administration has a record of significant improvements in this program, which has led to more and better housing for families in Indian areas. We have in place an administrative system successfully delivering housing in Indian areas without statutory change. For all of the reasons discussed in my testimony, we oppose S 1987.

This concludes my prepared testimony. I'd be happy to answer any questions.

Changes in Existing Law

In compliance with subsection 12 of rule XXVI of the Standing Rules of the Senate, the Committee notes the following changes in existing law (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no changes are proposed is shown in roman):

THE UNITED STATES HOUSING ACT OF 1937

* * * * * * *

TITLE I—GENERAL PROGRAM OF ASSISTED HOUSING

SHORT TITLE

SECTION 1. This Act may be cited as the "United States Housing Act of 1937".

* * * * * * *

RENTAL PAYMENTS; DEFINITIONS

SEC. 3. (a) * * *

(b) When used in this Act:

(1) * * *

* * * * * * *

(4) The term "income" means income from all sources of each member of the household, as determined in accordance with criteria prescribed by the Secretary, in consultation with the Secretary of Agriculture, except that dividends or other payments received from the Alaska Permanent Fund by children under the age of 18 shall be excluded from income for purposes of this Act.

(5) The term "adjusted income" means the income which remains after excluding—

(A) $480 for each member of the family residing in the household (other than the head of the household or his spouse) who is under 18 years of age or who is 18 years of age or older and is disabled or handicapped or a full-time student;

(B) $400 for any elderly family;

(C) the amount by which the aggregate of the following expenses of the family exceeds 3 percent of annual family income: (i) medical expenses for any elderly family; and (ii) reasonable attendant care and auxiliary apparatus expenses for each handicapped member of any family, to the extent necessary to enable any member of such family (including such handicapped member) to be employed; and

(D) *(i)* child care expenses to the extent necessary to enable another member of the family to be employed or to further his or her education*; (ii) excessive travel expenses, not to exceed $25 per family per week, for employment or education related travel, except that this clause shall apply only to families as assisted by Indian housing authorities.*

(6) The term "public housing agency" means any State, county, municipality, or other governmental entity or public body (or agency or instrumentality thereof) which is authorized to engage in or assist in the development or operation of lower income housing. *The term includes any Indian housing authority.*

(7) The term "State" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the territories

and possessions of the United States, the Trust Territory of the Pacific Islands, and Indian tribes[, bands, groups, and Nations, including Alaska Indians, Aleuts, and Eskimos, of the United States].

(8) The term "Secretary" means the Secretary of Housing and Urban Development.

(9) The term "Indian" means any person recognized as being an Indian or Alaska Native by an Indian tribe, the Federal Government, or any State.

(10) The term "Indian area" means the area within which an Indian housing authority is authorized to provide lower income housing.

(11) The term "Indian housing authority" means any entity that—

(A) is authorized to engage in or assist in the development or operation of lower income housing for Indians; and

(B) is established—

(i) by exercise of the power of self-government of an Indian tribe independent of State law; or

(ii) by operation of State law providing specifically for housing authorities in the State of Alaska.

(12) The term "Indian tribe" means any tribe, band, pueblo, group, community, or nation of Indians or Alaska Natives.

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CONTRIBUTIONS FOR LOWER INCOME HOUSING PROJECTS

SEC. 5. (a) * * *

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(c)(1) * * *

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(8) Any amount available for Indian housing under subsection (a) that is recaptured shall be used only for such housing.

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TITLE II—ASSISTED HOUSING FOR INDIANS AND ALASKA NATIVES

SEC. 201. ESTABLISHMENT OF SEPARATE PROGRAM OF ASSISTED HOUSING FOR INDIANS AND ALASKA NATIVES.

(a) GENERAL AUTHORITY.—The Secretary shall carry out programs to provide lower income housing on Indian reservations and other Indian areas in accordance with the provisions of this title.

(b) APPLICABILITY OF TITLE I.—(1) IN GENERAL.—Except as otherwise provided in this title, the provisions of title I shall apply to lower income housing developed or operated pursuant to a contract between the Secretary and an Indian housing authority.

(2) PUBLIC HOUSING.—No provision of title I (or of any other law specifically modifying the public housing program under title I) that is enacted after the date of the enactment of the Indian Housing Act of 1988 shall apply to public housing developed or operated pursuant to a contract between the Secretary and an Indian housing

authority, unless the provision explicitly provides for such applicability.

(c) INAPPLICABILITY OF CERTAIN REQUIREMENTS.—Lower income housing developed or operated pursuant to a contract between the Secretary and an Indian housing authority shall not be subject to section 227 of the Housing and Urban-Rural Recovery Act of 1983 (relating to pet ownership in assisted housing for the elderly or handicapped).

SEC. 202. MUTUAL HELP HOMEOWNERSHIP OPPORTUNITY PROGRAM.

(a) ESTABLISHMENT.—The Secretary shall carry out a mutual help homeownership opportunity program for Indian families in accordance with this section. The program shall be designed to meet the homeownership needs of Indian families on Indian reservations and other Indian areas, including families whose incomes exceed the levels established for lower income families.

(b) FINANCIAL ASSISTANCE.—The Secretary may, to the extent provided in appropriation Acts, enter into contracts with Indian housing authorities under title I to provide financial assistance for the development, acquisition, operation, and improvement of housing projects under this section.

(c) ELIGIBLE PROJECTS.—

(1) PROJECT TYPES.—Projects for which assistance may be provided under this section may include single-family detached dwellings and other single-family dwellings (including row houses).

(2) FORMS OF OWNERSHIP.—In addition to fee simple ownership and other forms of ownership, the Secretary may permit and facilitate cooperative ownership for any project assisted under this section, if the Indian housing authority requests cooperative ownership and the Secretary determines such ownership to be appropriate for the project.

(3) PROJECT DESIGN AND ENERGY EFFICIENCY.—Projects assisted under this section shall—

"(A) provide sufficient flexibility to permit the use of different designs and materials; and

"(B) include cost-effective energy conservation performance standards designed to ensure the lowest total construction and operating costs.

(d) ELIGIBLE FAMILIES.—

(1) IN GENERAL.—Except as provided in paragraph (2), assistance under this section shall be limited to Indian lower income families on Indian reservations and other Indian areas.

(2) EXCEPTION.—

(A) DEMONSTRATED NEED.—An Indian housing authority may provide assistance under this section to families on Indian reservations and other Indian areas whose incomes exceed the levels established for lower income families, if the Indian housing authority demonstrates to the satisfaction of the Secretary that there is a need for housing for such families that cannot reasonably be met without such assistance. An Indian housing authority may provide assistance under this section to any non-Indian family on an Indian reservation or other Indian area if the Indian hous-

ing authority determines that the presence of the family on the Indian reservation or other Indian area is essential to the well-being of Indian families and the need for housing for the family cannot reasonably be met without such assistance.

(B) LIMITATION ON NUMBER OF UNITS.—The number of dwelling units in any project assisted under this section that may be occupied by or reserved for families on Indian reservations and other Indian areas whose incomes exceed the levels established for lower income families may not exceed whichever of the following is higher:

(i) 10 PERCENT.—10 percent of the dwelling units in the project.

(ii) 5 UNITS.—5 dwelling units.

(e) MUTUAL HELP AND OCCUPANCY AGREEMENT.—Each Indian housing authority operating a progam under this section shall require each family selected for housing under this section to enter into a mutual help and occupancy agreement. The agreement shall provide the following:

(1) FAMILY CONTRIBUTION.—

(A) GENERAL REQUIREMENT.—The family shall agree to contribute toward the development cost of a project in the form of land, labor, cash, or materials or equipment. The value of the contribution of each family shall not be less than $1,500.

(B) CONTRIBUTION BY INDIAN TRIBE.—Contributions other than labor may be made by an Indian tribe on behalf of a family.

(2) MONTHLY PAYMENT.—

(A) CALCULATION.—The family shall agree to make a monthly payment to the Indian housing authority that is equal to whichever of the following is higher:

(i) PERCENTAGE OF ADJUSTED INCOME.—AN AMOUNT COMPUTED BY—

(I) multiplying the monthly adjusted income of the family by a percentage that is not less than 15 percent and not more than 30 percent, as determined by the Indian housing authority to be appropriate; and

(II) subtracting the estimated monthly payments of the family for the reasonable use of utilities (excluding telephone service).

(ii) ADMINISTRATION CHARGE.—The amount budgeted by the Indian housing authority for monthly operating expenses on the dwelling of the family, excluding any operating cost for which operating assistance is provided by the Secretary under section 9.

(B) OTHER APPLICABLE LAW.—Monthly payments under this section shall be subject to section 203 of the Housing and Community Development Act of 1974.

(3) MAINTENANCE AND UTILITIES.—The family shall be responsible for the maintenance and monthly utility expenses of the dwelling. The Indian monthly authority shall have in effect procedures determined by the Secretary to be sufficient for en-

suring the timely periodic maintenance of the dwelling by the family.

(4) HOMEOWNERSHIP OPPORTUNITIES.—The Indian housing authority shall afford the family an opportunity to purchase the dwelling under a lease-purchase, mortgage, or loan agreement with the Indian housing authority or any other qualified entity, if the Indian housing authority determines (in accordance with objective standards and procedures established by the Secretary, after consultation with Indian housing authorities) that the family is able to meet the obligations of homeownership.

(f) SELF-HELP HOUSING PROGRAM.—

(1) ESTABLISHMENT.—The Secretary shall establish a self-help housing program for projects assisted under this section.

(2) REQUIREMENTS.—In the case of any project approved by the Secretary for participation in the self-help housing program—

(A) each family shall make a contribution under subsection (e)(1) in the form of labor in accordance with labor contribution requirements similar to the requirements applicable under the mutual self-help housing program established in section 523 of the Housing Act of 1949; and

(B) the Secretary shall provide each family with technical and supervisory assistance similar to the assistance available under the mutual self-help housing program established in section 523 of the Housing Act of 1949.

(3) APPLICATIONS.—Any Indian housing authority may submit an application to the Secretary for inclusion of a project assisted under this section in the self-help housing program.

SEC. 203. ADDITIONAL PROVISIONS.

(a) PUBLIC HOUSING MAXIMUM CONTRIBUTIONS.—In determining the maximum contributions that may be made by the Secretary to an Indian housing authority for development of a public housing project (including a mutual help homeownership opportunity project under this title), the Secretary shall consider all relevant factors, including—

(1) the logistical problems associated with projects of remote location, low density, or scattered sites; and

(2) the availability of skilled labor and acceptable materials.

(b) RELATED FACILITIES AND SERVICES.—The Secretary shall take such actions as may be necessary to ensure the timely and efficient provision, through the Interdepartmental Agreement on Indian Housing, of any roads, water supply and sewage facilities, and electrical and fuel distribution systems that are required for completion and occupancy of public housing projects assisted under this title (including mutual help homeowership opportunity projects).

(c) ACCESSIBILITY TO PHYSICALLY HANDICAPPED PERSONS.—The Secretary shall, in accordance with Public Law 90-480 (42 U.S.C. 4151 et seq.; commonly known as the Architectural Barriers Act of 1968) and other applicable law, require each Indian housing authority to give proper consideration to the needs of physically handicapped persons for ready access to, and use of, lower income housing assisted under this title.

SEC. 204. ANNUAL REPORT.

The Secretary shall include the annual report under section 8 of the Department of Housing and Urban Development Act—

(1) a description of the actions taken to carry out the provisions of the Housing and Community Development Act of 1987 that relate to Indian housing;

(2) an evaluation of the status of the program of single-family mortgage insurance for Indians and Alaska Natives under section 248 of the National Housing Act;

(3) an assessment of the housing needs of native Hawaiians and an evaluation of current Federal programs designed to meet the needs, including programs of housing assistance for lower income families and the program of single-family mortgage insurance for native Hawaiians under section 247 of the National Housing Act;

(4) recommendations for resolving concerns relating to Indian housing authorities that are authorized to serve both Indians and non-Indians; and

(5) a description of actions taken to ensure the timely and efficient provision, through the Interdepartmental Agreement on Indian Housing, of any roads, water supply and sewage facilities, and electrical and fuel distribution systems that are required for completion and occupancy of public housing projects assisted under the title (including mutual help homeownership opportunity projects).

SEC. 205. REGULATIONS.

(a) ISSUANCE.—The Secretary shall issue regulations to carry out this title and the amendments made by the Indian Housing Act of 1988. The regulations shall be issued in accordance with subsections (b) through (e) of section 553 of title 5, United States Code.

(b) CONSULTATION WITH INDIAN HOUSING AUTHORITIES.—In formulating proposed regulations under this section, the Secretary shall consult with Indian housing authorities.

(c) EFFECTIVE DATE.—The Secretary shall issue regulations under this section to become effective before the expiration of the 90-day period beginning on the date of the enactment of the Indian Housing Act.

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